Industrial Distribution

Specialty Tools & Fasteners
State of the Industry

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Indicators...

Purchases of industrial supplies increased nationally in August, following a short drop in July, according to the *NIDA-SIDA Industrial Distribution Index*. The index, compiled from the monthly sales figures of 100 distributors, was up 10.8 points (3.9%) from July and 43.8 points (18%) from the year-before level. The *NIDA-SIDA Inflation Index* in August was at 227.3, up 2.7% from July and 9% from the year-before level. (Both indexes are 1967=100.) Regional sales for August, comparing August to month-before and year-before levels, were: east, down 1% and up 16%; midwest, up 3.2% and 12.1%; west, up 7.5% and 22.7%; south, up 5.3% and 28.4%...The *ASMMA New Order Index* dropped 0.1 points (0.03%) in August. It was 15.4% above the year-before level...The *FRB Index of Production Manufactures* dropped 2.9 in August, to 144.4...The *SIDA Monthly Sales Trend Report* showed an 8.1% increase in August, with a 13.7% increase over year-before sales. The biggest increase for both periods came in area I (N.C., Va., W.Va.), up 15.5% and 12.2%; area II (Fla., Ga., S.C., P.R.) had the least growth in August, 2.8%...The *Quick Pulse Index* of the National Assn. of Aluminum Distributors was at 225.0 in August, up 7.6% from July's 209.2...the *Wholesale Hardware Index* of the National Wholesale Hardware Assn. was at 204.7 in August, up 11.7 points (6.1%) from July...The Los Angeles Industrial Distributors Assn. reports that member sales were up 38% in August and 37% in July from year-before levels, with average collection days of 40 and 41, respectively...August machine tool orders and shipments rose substantially, according to the National Machine Tool Builders Assn. Net new orders were at $429.2 million, up 19% from July. Shipments were valued at $290.6 million, up 9%...New factory orders bounced back by 2% in August, following declines of 1.6% in July and 0.9% in June. That seasonally adjusted upturn was encouraging, the Commerce Dept. said, but it fails to show a mild recession is not underway...New car sales fell 2.8% in September compared to year-before levels. □

August sales show a health increase

August brought a strong sales push, according to *Regional Report* respondents, with volume 9% higher for general liners and 16% higher specialists than in July.

The sales gain was impressive, given what was happening elsewhere in the economy and, indeed, respondents' performance during June and July, when overall declines were listed.

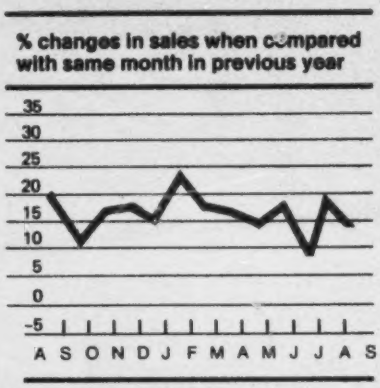
Even so, on closer inspection, the *Regional Report* figures fall into line with other economic indicators.

For instance, after slipping a revised 0.2% in July, and 0.3% in June, the Commerce Dept's index of leading economic indicators remained unchanged in August—showing, at the least, that the economy had not worsened and should remain stable.

The *New Order Index* of the American Supply & Machinery Manufacturers Assn., whose members sell through industrial distributors, had slipped in three of the preceding five months before leveling off in August, at a point nearly six points off its January listing.

Some other less-cheering indicators were reported for August. For instance, the layoff rate among manufacturing workers jumped 0.5% during that period—the largest monthly increase since the recession period of October-November 1974.

Yet another sign of approaching industrial slowdown: Industrial output in August fell 1.1%, according to government analysts, largely because of problems in the automotive sector. □



August sales: Still a comfortable 14% above the year-before level.

SALES BY REGIONS (% change)

	Aug. '79 vs. July '79			Aug. '79 vs. Aug. '78			8 mos. '79 vs. 8 mos. '78		
	Gen.	Spec.	Both	Gen.	Spec.	Both	Gen.	Spec.	Both
NEW ENGLAND: Conn., R.I., Mass., N.H., Vt., Me.	17	26	21	7	28	13	13	27	19
Connecticut	18	28	23	9	—	—	21	36	19
Massachusetts	14	25	18	3	28	13	4	25	12
MIDDLE ATLANTIC: N.Y., N.J., Pa.	1	18	7	15	20	17	15	25	18
New York Metropolitan Area	−13	23	8	27	20	22	25	21	22
Upstate New York	4	4	4	9	—	—	6	38	16
Pennsylvania	7	—	—	12	—	—	15	—	—
SOUTH ATLANTIC: Del., D.C., Md. Fla., Ga., N.C., S.C., Va., W. Va.	15	7	10	37	13	24	17	18	17
Georgia-Florida	—	6	—	—	18	—	—	21	—
EAST NORTH CENTRAL: Ohio, Ind., Ill., Mich., Wis.	7	13	11	18	15	14	5	21	14
Indiana	—	4	—	—	27	—	—	28	—
Wisconsin	35	33	34	21	27	24	17	23	20
Chicago	—	2	—	29	13	19	13	30	23
Michigan	−16	7	−4	1	1	1	15	10	
Ohio	11	—	—	9	—	—	19	—	—
EAST SOUTH CENTRAL: Ala., Miss., Ky., Tenn.	—	—	—	—	—	—	—	—	—
WEST NORTH CENTRAL: Minn., N.D., S.D., Iowa, Neb., Kan., Mo.	—	—	—	—	—	—	—	—	—
WEST SOUTH CENTRAL: Ark., La., Okla., Tex.	11	1	8	10	−9	5	15	11	14
Texas	20	1	12	12	−9	1	19	11	16
MOUNTAIN: N.M., Ariz., Colo., Utah, Nev., Wyo., Mont., Idaho	3	37	17	29	—	—	22	4	15
PACIFIC: Calif., Ore., Wash.	9	24	17	12	15	14	34	20	26
L.A.-San Diego	10	22	14	7	13	10	38	15	26
Oregon-Washington	8	25	17	14	16	15	32	24	28
U.S. TOTALS	9	16	135	14	15	14	17	12	19